



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 26, 2005
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CRM
(202) 514-2008
TDD (202) 514-1888

FORMER ALABAMA GOVERNOR DON SIEGELMAN, OTHERS INDICTED IN RACKETEERING, BRIBERY AND EXTORTION CONSPIRACY

WASHINGTON, D.C. – Former Alabama Governor Don Eugene Siegelman and three other individuals have been indicted on charges related to a widespread racketeering conspiracy that included bribery and extortion in exchange for official acts, the Department of Justice and the U.S. Attorney’s Office for the Middle District of Alabama announced today.

The 30-count superseding indictment was returned by a federal grand jury in Montgomery, Alabama today. The indictment charges Siegelman and former Chief of Staff Paul Michael Hamrick with violating the Racketeer Influenced and Corrupt Organizations (RICO) statute while Siegelman served as governor of Alabama from 1999 to 2003, and honest services mail and wire fraud. Siegelman is also charged with obstruction of justice, and with bribery for allegedly accepting money in exchange for actions taken as governor.

Three other individuals have pleaded guilty to public corruption charges in connection with the scheme – Alabama businessman and consultant Clayton “Lanny” Young, former Alabama Department of Economic and Community Affairs Acting Director Nick Bailey and architect William Curtis Kirsch. Today’s indictment alleges that Siegelman and Hamrick took hundreds of thousands of dollars in bribes from Young to aid Young’s business interests, including the awarding of contracts to companies controlled by Young.

Siegelman is also charged with extortion for allegedly demanding payments from individuals under the threat of harming their business interests with the State of Alabama. Specifically, the indictment alleges that Siegelman demanded \$100,000 and accepted \$40,000 from one individual under the threat of harming that person’s business with the Alabama Department of Transportation (ALDOT). Siegelman also allegedly demanded \$250,000 from another individual under the same threat.

The indictment also alleges that Siegelman, Hamrick and others established a criminal enterprise in which official actions were exchanged for bribes. Specifically, the indictment alleges that then-HealthSouth Chief Executive Officer Richard M. Scrushy made two disguised payments totaling \$500,000 to Siegelman in exchange for Siegelman’s appointment of Scrushy to Alabama’s Certificate of Need Review Board. Scrushy – initially named in a sealed indictment filed on May 17, 2005 – is charged with bribery and mail fraud.

Gary Mack Roberts, the former Director of ALDOT, is charged in the indictment with honest services mail and wire fraud for his alleged role in influencing ALDOT actions on behalf of Siegelman.

The RICO and conspiracy to commit RICO charges carry a maximum penalty of 20 years in prison and a fine of up to \$250,000. The maximum penalty for the bribery charges is 10 years in prison and a \$250,000 fine. The maximum penalty for honest services mail and wire fraud is 20 years in prison and a \$250,000 fine, while the maximum penalty for obstruction of justice is 10 years in prison and a \$250,000 fine.

An indictment is merely an accusation and the defendants are presumed innocent until proven guilty at trial beyond a reasonable doubt.

The indictment is the result of a joint investigation initiated by federal and state authorities in early 2001 into numerous alleged improprieties in the Siegelman administration. The federal case is being prosecuted by Louis V. Franklin, Sr., the Acting U.S. Attorney for the Middle District of Alabama in this case, and Assistant U.S. Attorneys Stephen P. Feaga and J.B. Perrine; Trial Attorney Richard Pilger of the Public Integrity Section of the Criminal Division, U.S. Department of Justice, which is headed by Section Chief Noel L. Hillman; and Assistant Attorney General Joseph Fitzpatrick for the State of Alabama, who is also cross-designated as a Special Assistant United States Attorney for this case. The investigation was conducted jointly by the Federal Bureau of Investigation and agents from the Alabama Attorney General's Office, with assistance from the Department of Transportation Office of Inspector General.

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